

MONTANA BOARD OF HOUSING

First National Bank
504 Mineral Ave
Libby MT 59923
August 25, 2005

ROLL CALL OF BOARD

MEMBERS: Bob Thomas, Chairman (Present)
Judy Glendenning, Vice Chairman (Present)
J.P. Crowley, Secretary (Present)
Susan Moyer (Present)
Audrey Black Eagle (Absent)
Jeff Rupp (Absent)
Betsy Scanlin (Present)

STAFF: Bruce Brensdal, Executive Director
Bob Morgan, Single Family Program Manager
Nancy Leifer, Homeownership Program Manager
Mat Rude, Multifamily Program Manager
Gerald Watne, Multifamily Program Officer
Mary Bair, Multifamily Program Specialist
Justin Schedel, Multifamily Program Specialist
Diana Hall, Administrative Assistant

COUNSEL: Pat Melby, Luxan and Murfitt

OTHERS: Jim Stretz, George K. Baum & Co.
Ted Mehr, First National Bank

CALL MEETING TO ORDER & APPROVAL OF MINUTES

Chairman Bob Thomas called the meeting to order at 8:30 a.m. Susan Moyer moved to approve the July 18, 2005 Board minutes. Judy Glendenning seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

PUBLIC COMMENTS

Mr. Thomas asked the Board, staff, and guests to introduce themselves. He asked for comments from the public.

MULTIFAMILY PROGRAM

Mat Rude presented a Reverse Annuity Mortgage (RAM) exception to the age limit of 68 for a person that will be 68 in November. Judy Glendenning moved to approve the exception. J. P. Crowley seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Mat Rude notified the Board that there was an offer on the Chester property. Judy Glendenning moved to accept the \$100,000 offer for the Chester property. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Mat Rude gave an overview of changes made to the 2006 proposed Qualified Allocation Plan (QAP) from the comments received. The scoring on the project characteristics, #5 section E, was proposed as a tie-breaker. Comments suggested finding out which green products are available. Mat and the Board discussed giving extra points for 30% below median income and for 40% below median income level projects, as put out for public comment.

Betsy moved to segregate scoring criteria #2 on Serves Lowest Tenants for a vote. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously. Susan Moyer moved to approve all the other changes to the 2006 Qualified Allocation Plan (QAP) as recommended by staff, except scoring criteria #2. J. P. Crowley seconded the motion. The Chairman asked for public comments. Betsy said the green issue should be addressed in baby steps by giving 1 point in scoring criteria #5. After more discussion, no amendment was offered for the one point. The motion was carried as originally moved.

After further discussion, Betsy Scanlin moved to adopt a resolution for scoring criteria #2 with the amendment that 1 point be given to the 30% or below Area Median Income (AMI) level. J. P. Crowley seconded the motion. The motion was lost with all voting against the motion except Betsy.

Betsy Scanlin moved to adopt staff recommendations for scoring criteria #2 with the stipulation for rents at 40% allowed to income qualify to 49% AMI. The Chairman asked for public comments. The motion passed unanimously.

Mat said David Bland, who works with the various tribes in the state, requested consideration in the scoring criteria for eventual homeownership, extended use in the QAP. Jim Stretz gave an overview of New Mexico's policy for eventual homeownership and said it works because the tribe needs to put their funds into the program also. J. P. Crowley moved to modify the QAP in scoring criteria of Project Characteristics #5, part D, to change the scoring from 0-1 points to 0-10 points. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

SINGLE FAMILY PROGRAM

Bob Morgan introduced Nancy Leifer who will be the new manager for the Single Family Program. She gave a briefing on Impact Fees and Inclusionary Zoning. Betsy suggested a fund for land for affordable housing. Mat said Rocky Mountain Development Council (RMDC) is looking into getting a state tax credit. Judy said there was a group that worked to create unity on housing legislation for the last legislature. Betsy said some states exempt the first \$100,000 from property taxes for a full-time primary residence. Judy said that past legislatures argued that definitions for primary residence and secondary home are unclear. Bruce said he is part of a focus group of diverse interests beginning to work with proposals to take to the next Legislature.

Bob presented the REO report showing one property listed. He noted that fiscal year 2005 ended with a positive balance.

Bob gave the Mortgage Credit Certificate (MCC) summary report. The MCC Program has 37 certificates issued and 5 reserved.

Bob gave an update on the 2005 A Program. There have been 177 loans reserved for \$18,320,435 and 330 loans have been purchased for \$34,596,786 in the program. The Reservation Activity History compared the amount of reservations each month in 2004 with each month in 2005. Bob showed a chart of the mortgage rate trend and said funds are going out at a reasonable rate. The zip code report shows the cities where loans have been reserved. Betsy wants data on high-income census tracks and the need for affordable housing. Bob is looking into a program to make second mortgage home improvement loans for existing housing stock. Non-profits would provide the technical assistance.

Bob presented the recycled setaside summary, which shows \$27,428,616 committed to setasides.

EXECUTIVE DIRECTOR'S UPDATE

Bruce Brensdal said MBOH continues the partnership with Board of Investments (BOI) and has a memorandum of understanding (MOU) on the accounting side. MBOH would like to take the next step of doing the intake on the real estate mortgage loans through our lender-on-line system. BOI would like to submit the idea for an efficiency award.

Bruce submitted press releases from Jeannie Huntley on the honors Bob Morgan received from NeighborWorks and the Montana House. He also handed out the entries for NCSHA awards. Bruce gave the Highlights of the Housing Division.

Bruce announced that Bob Morgan's retirement party will be September 18th from 4-7 P.M. at the Elk's in Helena. It will be BBQ and staff potluck.

Photos will be taken at the next meeting. The Board was reminded to cancel early if not attending a conference to avoid cancellation fees.

Bruce discussed future meeting dates and locations. Meetings are tentatively scheduled for September 19th in Helena, October 17th in Red Lodge, and November 21st in Helena.

The meeting adjourned at 11:35 a.m.

J. P. Crowley, Secretary

Date